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CIA Subsidies Study Reaches No Decision

By Richard Harwood
Washington Post Staff Writer

When the Central Intelligence Agency's secret philanthropies were discovered last spring, President Johnson's response was to appoint a study committee.

It was headed by Under Secretary of State Nicholas deB. Katzenbach and it recommended that still another study committee be appointed because of the "considerable complexity" of the problem.

The President agreed and the new committee was formed with Secretary of State Dean Rusk as its chairman. It was a "consensus" group that included Senators and Representatives, young men and old men, Democrats and Republicans, academicians and businessmen, thinkers and doers. Its assignment was to figure out how the government of the United States could do publicly what the CIA had been doing covertly, which was to subsidize the overseas activities of countless religious, cultural, labor, and scholarly organizations.

Nothing Decided

In the nine months that have passed, the Committee had decided nothing except that there are at least four ways for the Government to hand out money to the CIA's former clients—through the State Department (Plan B), through the

foreign aid program (Plan 2), through a new "quasi-public" corporation with limited responsibilities (Plan 3), or through a "quasi-public" corporation with very broad responsibilities (Plan 4).

One reason for the Committee's failure to come to a decision is that it has spent very little time on the job. There have been only three meetings of substance since March. The last one, according to Dr. Milton Eisenhower of John Hopkins University, was held three months ago.

"We are all," said another committee member, Dr. Frank Rose, president of the University of Alabama, "very busy men. The Secretary of State is very busy. So is the Budget Bureau (whose director, Charles Schultze, is a committee member, and whose international programs man, James Clark, is the committee's executive director.)"

No Sense of Urgency

Senator Milton R. Young, one of the congressional Republicans on the panel, has been so busy that he hasn't "been to a one of these meetings" and isn't sure what is going on.

Another reason for the inaction is the general feeling that, as Rose put it, "there's no sense of urgency about this. No deadline or anything of that kind." A State Department official on Rusk's staff used the phrase

"no in-built deadline" which was interpreted by Clark at the Budget Bureau to mean no "external" deadline fixed by the President or by Rusk.

Sen. J. William Fulbright (D-Ark.) was under a different impression. He thought he and his fellow committee-men were expected to come up with a plan by Dec. 31, which is the date the CIA expects to cut off its covert subsidies. "But I guess," said Fulbright yesterday, "that deadline has been dropped."

Deadlock Reported

A third explanation for the position in which the committee finds itself at Christmastime is that it is hopelessly deadlocked over what should be done.

This is denied by Rose, Eisenhower and men in the Administration who prefer anonymity. Fulbright, however, reports that there are rather substantial disagreements and Young has heard rumors to the same effect.

One faction, "highly oriented toward the military," as Fulbright puts it, is represented by three House members on the committee—George Mahon (D-Texas), L. Mendel Rivers (D-S.C.), and Frank Bow (R-Ohio). They favor the inexpensive Plan 1 (about \$5 million a year) which would be administered by State.

Fulbright, Eisenhower and Rose favor the more ambitious Plan 4 which would in-

volve new funds of about \$25 million a year, would extend subsidies to groups presently unsubsidized, and would take over some of the cultural and information programs presently administered by State, USIA, and AID.

Schultze, presumably speaking for the President and Rusk, favors Plan 3, and

does not favor taking any programs away from existing agencies.

Plan 3 would be cheaper than Plan 4 and for that reason Rose is willing to go along with it "in view of the budget squeeze."

In reply, the Administration says money is no problem.

The panel, in any case, has come to no decision

which means that some of the CIA's secret beneficiaries may begin the New Year with pinched budgets.

"But there's no real problem," says Dr. Rose. "All we have to do is sit down and come to a conclusion."

That effort will be made again in January.

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